

this section, and §281.211 the local distribution company shall request each of its direct interstate pipeline suppliers to classify the attributed indirect essential agricultural requirements as priority 2 entitlements.

(2) The local distribution company shall designate the entitlements in each priority of service in the currently effective curtailment plan which reflect the attributed indirect essential agricultural requirements. It shall request that those entitlements which are reflected in each category in the currently effective curtailment plan are removed from such priority of service category.

(3) Subject to §281.210, the interstate pipeline shall classify all such attributed indirect essential agricultural requirements as priority 2 entitlements and shall reduce the entitlements of the local distribution company in such other priority of service categories as designated by the local distribution company, (in accordance with paragraph (b)(2) of this section).

(d) *Interstate pipeline.* (1) Subject to paragraph (d)(2) of this section, and §281.211 an interstate pipeline purchaser may request each of its direct interstate pipeline suppliers to classify the attributed priority 2 entitlements (calculated under §281.209) as priority 2 entitlements in the currently effective curtailment plan of the interstate pipeline supplier.

(2) The interstate pipeline purchaser shall designate the entitlements in each priority of service category in the currently effective curtailment plan of the interstate pipeline supplier which reflects the attributed priority 2 entitlements and request that those entitlements which are reflected in such priority of service categories in the currently effective curtailment plan are removed from such priority of service category.

(3) Subject to §281.210, the interstate pipeline supplier shall classify the attributed priority 2 entitlements as priority 2 entitlements and shall reduce the entitlements of the interstate pipeline purchaser in such other priority of service categories as designated by the interstate pipeline purchaser, (in ac-

cordance with paragraph (d)(2) of this section).

[44 FR 26862, May 8, 1979]

**§ 281.208 Calculation of essential agricultural requirements and attributable priority 2 entitlements.**

(a) *Scope.* This section sets forth the method by which:

(1) An essential agricultural user calculates total essential agricultural requirements, direct essential agricultural requirements, and indirect essential agricultural requirements;

(2) A local distribution company calculates attributable indirect essential agricultural requirements for its essential agricultural user customers; and

(3) An interstate pipeline purchaser calculates its attributable priority 2 entitlements.

(b) *Calculation by an essential agricultural user—*(1) *Total essential agricultural requirements—*(i) *General Rule.* (A) The essential agricultural requirements of an essential agricultural user are those volumes (expressed in daily, monthly, seasonal or other appropriate periodic volumes) designated by the Secretary of Agriculture and calculated in accordance with 7 CFR 2900.4; less

(B) Alternative fuel volumes (determined under §281.304).

(ii) *Definitions.* Current requirements as used in 7 CFR part 2900 means the lesser of

(A) The energy consumption from the most recent 12 month period for which actual data is available, with necessary adjustments; or

(B) The maximum volume of natural gas for which the essential agricultural user has installed capability to use for essential agricultural uses.

(2) *Attribution of total essential agricultural requirement and indirect essential agricultural requirements.* (i) The essential agricultural user shall attribute its total essential agricultural requirements among all its sources of supply of natural gas in accordance with §281.209.

(ii) The direct essential agricultural requirement with respect to a particular interstate pipeline supplier is that part of the total essential agricultural requirements attributed under

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§ 281.209 to the direct interstate pipeline supplier. The indirect essential agricultural requirement with respect to a particular local distribution company supplier is that part of the total essential agricultural requirements attributed under § 281.209 to a direct local distribution company supplier.

(c) *Calculation by local distribution companies.* (1) A local distribution company shall attribute under § 281.209 the indirect essential agricultural requirements of each of its essential agricultural user customers (calculated under paragraph (b)(2) of this section) among all the interstate pipelines which are direct suppliers of the local distribution company.

(2) That part of the indirect essential agricultural requirements which the local distribution company attributes to a particular interstate pipeline supplier is the attributed indirect essential agricultural requirements attributed to that interstate pipeline.

(d) *Interstate pipelines.* (1) An interstate pipeline purchaser may attribute under § 281.209 the priority 2 entitlements it includes in its index of entitlements among its direct interstate pipeline suppliers.

(2) The attributable priority 2 entitlements attributed to a particular interstate pipeline supplier is that part of the priority 2 entitlements of the interstate pipeline purchaser which it attributes to a particular interstate pipeline supplier.

[44 FR 26862, May 8, 1979, as amended at 44 FR 62490, Oct. 31, 1979]

### § 281.209 Attribution.

(a) *Applicability.* (1) This section sets forth the rules for attributing total essential agricultural requirements by an essential agricultural user, indirect essential agricultural requirements of an essential agricultural user by its local distribution company supplier and priority 1 and 2 entitlements by an interstate pipeline purchaser.

(2) This section does not apply to an essential agricultural user or local distribution company which receives all its natural gas supplies from a single source, or an interstate pipeline purchaser which does not receive natural gas from any other interstate pipeline.

(b) *Natural gas supplies included for purposes of attribution.* (1) For purposes of attribution in accordance with this section, natural gas from all direct sources, including but not limited to pipeline production, production by independent producers, production by affiliates, SNG facilities and natural gas purchased from local distribution companies, and interstate pipelines shall be included.

(2)(i) An essential agricultural user, which attributes under paragraph (d) a portion of the volumes which are its total essential agricultural requirements to a direct source of natural gas other than a direct supplier may not seek classification to priority 2 under § 281.207 for such portion of its total essential agricultural requirements.

(ii) A local distribution company which attributes under paragraph (e) a portion of the volumes which are its indirect essential agricultural requirements to a direct source of natural gas other than a direct supplier may not seek classification to priority 2 under § 281.207 for such portion of its indirect essential agricultural requirements.

(iii) An interstate pipeline purchaser which attributes under paragraph (f) a portion of the volumes of its priority 1 or 2 entitlements to a direct source of natural gas other than a direct supplier may not seek reclassification to priority 1 or classification to priority 2, respectively, for such portion of its priority 1 and 2 entitlements.

(c) *Definitions.* For purposes of this section:

(1) *Direct supplier* means, with respect to an essential agricultural user, an interstate pipeline or local distribution company which directly supplies such essential agricultural user, with respect to a local distribution company, an interstate pipeline which directly supplies such local distribution company and, with respect to an interstate pipeline purchaser, and interstate pipeline which directly supplies the interstate pipeline purchaser.

(2) *Base period* of a direct supplier means the fixed historical period in which entitlements of the customer of the direct supplier were established for purposes of the currently effective curtailment plan of such direct supplier.